

**Analysis of Fire Services
Contractual Issues**

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**CITY OF SCOTTSDALE,
ARIZONA**

**MAXIMUS
Waltham, Massachusetts**

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TABLE OF CONTENTS

	INTRODUCTION AND EXECUTIVE SUMMARY	1
I.	ANALYSIS OF THE COST EFFECTIVENESS OF ESTABLISHING AND OPERATING A MUNICIPAL FIRE DEPARTMENT	6
II.	EVALUATION OF THE STRUCTURE OF THE CONTRACT BETWEEN THE CITY OF SCOTTSDALE AND RURAL / METRO FOR FIRE SERVICES	53
	APPENDIX:	
	BEST PRACTICES EVALUATION OF FIRE AND EMERGENCY MEDICAL SERVICES PROVIDED IN SCOTTSDALE BY RURAL / METRO	65

INTRODUCTION AND EXECUTIVE SUMMARY

INTRODUCTION

The report, which follows, summarizes the results of five months of data collection and analysis of fire service alternatives for the City of Scottsdale, Arizona, including current services being provided and potential future alternatives. The project team which conducted this study thoroughly reviewed the services currently provided by Rural / Metro, and analyzed potential improvements associated with the current service approaches as well as analyzed the feasibility of the City creating a municipal department. Since the beginning of the study in August, 2001, the study team has conducted its evaluation of fire services in Scottsdale using the following approaches:

- **Maximizing the input of Rural / Metro staff:** During this project, members of the study team interviewed all command staff in Rural / Metro as well as staff with unique responsibilities for program performance. Moreover, many line staff were interviewed throughout the process in group station interviews.
- **Developing input and guidance from the City, including Council members and citizens:** The project team met with City Council members early in the project. The intent of these meetings was to gain insight into historical and service issues related to City fire service needs and capabilities. In addition, input was received from citizens through a survey of about 500 recent recipients of fire service. The project team also solicited written and e-mailed input from citizens into the process. The results of this survey are contained in Attachment B, at the conclusion of the public report regarding the delivery of fire services.
- **Throughout the project, the study team has met with a City-established project steering subcommittee as well as Rural / Metro management staff to review progress and key issues which arose during the process:** There was an internal group of City staff who made up the project steering committee. While the project team met approximately monthly with the committee, the meetings were interim report-driven so that actual products were reviewed.

- **The study team has been heavily involved in detailed data collection and analysis of workloads and service levels which characterize operations and services provided by Rural / Metro to the City of Scottsdale:** The focus of data collection was to understand fire service workloads and service levels. This data collection was also a base to aid in the formation of possible alternatives available to the City. The principal product of the project team's data collection, a "profile" of services provided by Rural / Metro to the City of Scottsdale is contained as Attachment A, at the conclusion of the public report regarding the delivery of fire services.

The purpose of this study was to evaluate the services currently being provided by Rural / Metro to the City, as well as to identify and analyze fire service alternatives for the future. This study helped to frame these choices through:

- **Analysis of the use of current resources:** A key objective of this project was to assess the effectiveness of the current contractual arrangement the City has with the Rural / Metro. This objective was designed to address the question of whether the current arrangement provides an appropriate structure on which to base future City fire services. This analysis is contained in a report that is available to the public. This has been provided under separate cover.
- **Providing the tools to assess current and future needs:** The project team has used a number of methodologies and approaches to evaluate fire service alternatives. Because the needs of the community may change in the future, the project team has attempted to show the methodology needed to recreate this analysis. Part of this evaluation included the use of a computerized fire station location model that can continue to be used to evaluate fire service alternatives.
- **Analysis of the strengths and potential improvements associated with each alternative, at different stages of the process:** Because this study focused on a number of fire service alternatives, it was necessary to illustrate the advantages and disadvantages of each alternative. These alternatives included
 - Internal changes to the way in which Rural / Metro provides services.
 - Opportunities to improve the contract upon which services are based.
 - Feasibility and cost effectiveness of creating a municipal department.

This report summarizes the results of these analytical efforts and provides implementation steps that the City should consider when addressing future fire service needs.

EXECUTIVE SUMMARY

MAXIMUS does not recommend that the City of Scottsdale move to take over the delivery of fire services from Rural / Metro at this time. The project team believes that the following points support this conclusion:

- Current service delivery by Rural / Metro meets or exceeds most of the best management practices identified by the project team. This indicates that the City is receiving a generally high level of service.
- Those issues that have been identified by the project team can be fixed by Rural / Metro, resulting in even higher levels of service in the City.
- These include issues regarding training, management systems and the way in which the relationship between the City and the Company is managed. The project team believes that the City should require Rural / Metro to take the following steps:
 - Hire a Captain level position to plan, develop, coordinate and oversee training of on-duty personnel for suppression skills maintenance. This same position is also recommended should the City take over provision of the fire service. The cost for this position is estimated to be \$105,000 including salary and benefits.
 - Develop an on-duty training approach that uses a pre-determined rotation of skills. These training sessions should be developed centrally with the intention of providing them in a decentralized fashion (i.e., training staff develop the programs which are then delivered by on-duty officers and other personnel).
 - Integrate this training into the regular day of the on-duty personnel. This should include one to two hours of training for every shift worked. The project team has provided a recommended approach to training that uses 28 topics (these could be supplemented by additional topics) to be used in rotation several times each year. Adoption of a locally developed plan based on this approach would be equally appropriate.

- The expense of taking on the delivery of fire services would exceed current costs by more than \$1 million on an annual basis (assuming a continuation of the 60 hour workweek and debt costs for fire as well as an estimate as to the impact on other departments in the City).
- There are some critical caveats to this recommendation, however:
 - Costs under Rural / Metro are likely to trend towards the costs estimated by MAXIMUS over time. The reasons for this include 1) a shift towards a work-schedule for line personnel with fewer hours than currently and 2) the need to maintain pace with other valley communities (some pay parity has been given up to gain the shorter workweek).
 - The City will continue to acquire the major capital stock associated with the fire service including stations and apparatus. As this continues, the cost of capital financing for the transition will continue to decline.
- The contract can be modified to give the City more control over the service levels provided by Rural / Metro than currently. The current approach of basing the new budget amount on prior expenditures does not provide for sufficient control over the programs and services delivered. MAXIMUS recommends that the City enter into a new approach of “cost plus” where the service levels are defined and then a negotiated level of profit is included in the annual contract. It is likely that this will result in more expensive service – however, it will also remove the incentive that Rural / Metro currently has to provide the minimum level of service possible while remaining in compliance with the gross requirements of the contract.

The City should also take some comfort in the feasibility analysis and other findings in this report. These include the following:

- The project team has shown that the City could start providing fire services on its own for just over 9.7% more than the current contract amount (excluding the first year transition costs). This gap is likely to close as time goes by (as discussed, above). This assumes the continuation of the 60 hour workweek – a shift to a shorter workweek would have a correspondingly higher cost.
- The project team has recommended a number of changes to the way in which the contract with Rural / Metro is approached. These have been addressed in detailed in the second chapter of this report.

The project team has provided more detailed analyses, findings and recommendations in the body of the report. The first chapter, that follows, provides our analysis of the delivery of services by Rural / Metro.